Press Release
NEW CONSOLIDATED CONSTRUCTION COMPANY LIMITED
June 03, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	200.00	ACUITE BBB+ | Stable | Assigned	-
Bank Loan Ratings	300.00	-	ACUITE A2 | Assigned
Total Outstanding Quantum (Rs. Cr)	500.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has assigned its long-term rating of '**ACUITÉ BBB+(read as ACUITE Triple B plus)** and short-term rating of '**ACUITÉ A2' (read as ACUITE A two)** on the Rs. 500.00 Cr. bank facilities of New Consolidated Construction Company Limited (NCCCL). The outlook is **'Stable'**.

Rationale for rating
The assigned rating reflects the company's experienced management and well-established presence in the construction industry for more than 7 decades. It also factors the healthy order book from reputed clientele's, ensuring sound revenue visibility in the near future. Additionally, the rating acknowledges the improvement in operating performance in FY25 compared to the previous year. However, these strengths are offset by the company's moderate financial risk profile with a leveraged capital structure and intensive working capital operations as evidenced by high gross current assets (GCA) of 269 days in FY24. Furthermore, the rating remains constrained by the competitive nature of the industry, geographical concentration and major presence of long execution residential and commercial projects in the company's orderbook.

About the Company

Founded in 1946 and headquartered in Mumbai, NCCCL is the flagship company of the Jasdanwalla Group. The company is engaged into specialized civil construction especially high-rise residential and office towers. The company also constructs pharmaceutical and biotechnology plants, software technology parks, industrial and IT parks as well as hospitality-related developments for reputed clients.
The current directors of the company are Mr. Abbas Jasdanwalla, Mr. Saleem Jasdanwalla, Mr. Mahesh Mahadappa Mudda, Ms. Penaz Doli Masani, Mr. Jayesh Gunvantrai Kariya, Mr. Jai Singh Nain, Mr. Shivaji Dattatray Mahadkar and Mr. Rajendrachand Singhvi.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of NCCCL to arrive at the rating

Key Rating Drivers

Strengths

Established track record with experienced management

NCCCL has an established track record of operations for more than 78 years in the construction industry. The company was established by Mr. Yahyabhai Jasdanwalla and is currently led by his son, Mr. Abbas Jasdanwalla, who serves as the Chairman. The day-to-day operations of the company are currently managed by Mr. Mahesh Mudda, having experience of close to 4 decades in the same field. The company has constructed more than 250 million

square feet of area till date in various regions for reputed corporate clients across residential and commercial buildings, industrials, institutional, malls, hotels and special economic zones (SEZs).
Acuite believes that NCCCL will continue to benefit from its established track record along, presence of experience management and capabilities to construct varied types of projects.

Healthy order book and reputed client portfolio
NCCCL serves a diverse customer base including major real estate players and large corporates across multiple industries. The company has successfully executed several landmark projects, such as the Asian Paints Headquarters, HUL Corporate Office and VSNL Tower in Mumbai. Additionally, the company has a longstanding association with prominent real estate developers, including the Bagmane Group, Prestige Group and L&T Realty. In the industrial plant construction sector, the company has demonstrated significant expertise by delivering over 100 pharmaceutical plants for leading pharmaceutical companies in India.
As of March 01, 2025, the company's outstanding order book stood at Rs. 2,789 crore, ~4.5 times of its operating income for FY25. Currently, its operations are primarily focused on private clients, with contracts awarded predominantly through direct negotiations.
Acuite believes the presence of marquee clientele and a healthy order book signifies the business credibility and sustained growth potential, reflecting the company's ability to secure and execute large-scale projects successfully.

Improvement in operating performance
While the topline of the company de-grew in the last two fiscals (Rs.572.76 crore in FY24 and Rs.589.91 crore in FY23) owing to slow pace of executions, the revenue has grown to Rs. 608.19 crore in FY25 with better executions during this fiscal. Moreover, this sustained growth in the revenue with timely executions of orders shall be a key rating sensitivity.
Additionally, operating margins has improved to 8.6% in FY25 (Est.), up from 6.49% in FY24 (6.81% in FY23). This improvement is driven by better revenue recognition in FY25, coupled with a reduction in raw material costs owing to price negotiations with dealers in Q4FY24. Going forward, margins are expected to remain around 9%.

Weaknesses

Moderate financial risk profile
The overall financial risk profile of the company is marked moderate on account of moderate net worth and high leverage. The company is significantly dependent on working capital borrowings and long-term equipment loans which has led to high Debt/ EBITDA ratio of 4.31 times and TOL/TNW ratio of 3.77 times as on March 31, 2024 (4.35 times and 3.64 times as on March 31, 2023) respectively. Moreover, the net worth of the company stood moderate at Rs.139.84 crore as on March 31, 2024 (Rs.135.41 crore as on March 31, 2023) which has kept gearing moderate at 1.35 times as on March 31, 2024 (1.31 times as on March 31, 2023). Going ahead, the company intends to raise long-term debt of ~Rs 20 Cr. to finance the procurement of construction equipment. Any further significant rise in the borrowings affecting the financial risk profile shall be a key rating sensitivity.

Intensive working capital operations
The working capital operations of the company is marked intensive on account of high GCA days of 269 days in FY24 (236 days in FY23). This is primarily because of the high inventory days, which stood at 164 days in FY24 (142 days in FY23) consisting of major raw materials like cement and steel, along with the shuttering materials (~48% of inventory). Further, the debtor's days for the company are also high at 98 days in FY24 (86 days in FY23). Also, a significant amount of money is parked under retention (Rs 102.84 Cr. in FY24 & Rs 105.6 Cr. in FY23) which affects the liquidity. Moreover, as a recovery strategy, the company acquires a ready to use property from the client wherein it encounters challenges in receivables.
Acuite believes the working capital operations of the company is estimated remain intensive considering the nature of operations.

Competitive industry along with geographical and sectoral concentration risk
The engineering, procurement, and construction (EPC) industry is fragmented in nature with presence of many small and medium scale players. The current outstanding orderbook is significantly concentrated in Maharashtra (~75%) and Karnataka (~20%), risking the company's exposure to regional economic fluctuations and policy changes. Further, the company's major focus is on residential building construction (~70% of orderbook) which generally have long execution period requiring efficient cash flow management and sustained funding to mitigate any financial strain.

Rating Sensitivities

- Strong order book growth & timely completion of existing orders leading to improvement in revenue at stable margins.
- Any deterioration in financial risk profile affecting the coverage indicators.
- Significant stretch in the working capital requirements affecting liquidity

Liquidity Position

Adequate

The adequate liquidity position of the company is supported by a generation of sufficient net cash accruals (NCA) of Rs. 27.31 crore (including amortization expense of shuttering materials) for FY2024 with a repayment obligation of Rs. 3.11 Cr. in the same period. Further, the NCAs are estimated to remain in the range of Rs. 40-50 crore for FY2025 and FY2026 as against repayments in the range of Rs. 5 - 7 Cr. over the same period. As of December 31, 2024, the company held cash and bank deposits amounting to Rs. 12.81 Cr. Additionally, over the past six months as of May 28, 2025, its fund-based limit utilization remained elevated at 92.38 percent, while non-fund-based limit utilization stood at 73.59 percent. The company is currently in the process of securing an enhancement in its working capital limits by Rs 100 Cr, which shall provide additional financial flexibility.

Outlook - Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	572.76	589.91
PAT	Rs. Cr.	5.75	11.51
PAT Margin	(%)	1.00	1.95
Total Debt/Tangible Net Worth	Times	1.35	1.31
PBDIT/Interest	Times	1.64	2.26

Status of non-cooperation with previous CRA (if applicable)

Brickwork Rating, vide its press release dated Jan 21st, 2025 had denoted the rating of New Consolidated Construction Company Limited as BWR BB / A4 'Downgraded and Issuer not co-operating'.

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- https://www.acuite.in/view-rating-criteria-52.htm
- Infrastructure Sector: https://www.acuite.in/view-rating-criteria-51.htm
- Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History :

Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	250.00	Simple	ACUITE A2 | Assigned
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	150.00	Simple	ACUITE BBB+ | Stable | Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE BBB+ | Stable | Assigned
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A2 | Assigned

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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